

Message

From: Branch, Paula [Branch.Paula@epa.gov]
Sent: 1/31/2020 8:36:23 PM
To: Lifland, David [Lifland.David@epa.gov]; Chang, Ming [Chang.Ming@epa.gov]
CC: Kuhns, Jason [Kuhns.Jason@epa.gov]; Reighart, Andrew [Reighart.Andrew@epa.gov]
Subject: RE: DRAFT: 2019 Texas SO₂ Trading Program Reconciliation

Dear Designated Representative:

Calendar year 2019 is now behind us, which means the allowance transfer deadline is fast approaching for sources subject to the Texas SO₂ Trading Program. The transfer deadline is Monday, March 2nd. By that date, all your facilities must hold enough Texas SO₂ allowances in their facility compliance accounts (NOT in a general account) to cover their respective SO₂ emissions for calendar year 2019. See the CAMD contacts list at the bottom of this email if you need assistance or have questions regarding Texas SO₂ annual reconciliation. Under the Texas SO₂ program, compliance is determined at the facility level. For each facility subject to the program, SO₂ emissions from a facility's monitor locations are first rounded to the nearest whole number; those monitor location-level emissions are then summed to determine total SO₂ emissions in tons for a facility for the year.

To avoid costly excess emissions penalties, allowances must be held in a facility's compliance account in a number equal to or greater than a facility's SO₂ emissions in tons by March 2, 2020. CAMD recommends that compliance accounts hold extra allowances in case, after the allowance transfer deadline, SO₂ emissions are discovered to be greater than what was originally reported, or accounting or other types of errors were made. (This is a recommendation, not a regulatory requirement.)

Note that under the regulations at 40 CFR 97.912, a total of up to 10,000 allowances from the Supplemental Allowance Pool may be allocated among the sources participating in the program for use in meeting compliance obligations for the 2019 control period. EPA will determine any such allocations and record them in the appropriate sources' compliance accounts no later than February 17, 2020.

The CAMD Business System (CBS) allows DRs, ADRs, and compliance agents (referred to hereafter as the "DR") to perform a variety of reconciliation-related tasks for their facilities. A DR can access CBS by going to www.epa.gov/airmarkets/business-center, clicking on the "CAMD Business System" tab, clicking on the "CAMD Business System (CBS)" link, and logging in. Once logged in, click on "Annual Compliance" to perform the following tasks:

(1) After emissions for the year have been successfully reported, but prior to the allowance transfer deadline, execute "draft" reconciliation to see whether there are enough allowances in the compliance account to cover SO₂ emissions for a facility without deducting allowances for compliance purposes. (Draft compliance is executed automatically for all your facilities when you choose "Run Compliance" for a Program.)

(2) After emissions for the year have been successfully reported and accepted by CAMD, and the allowance transfer deadline has passed, execute final reconciliation to have allowances deducted for a facility.

Allowances available for compliance purposes are frozen after the March 2 allowance transfer deadline. However, a DR can log on to CBS and perform final reconciliation for any of his or her facilities any time after emissions for the ozone season for a facility have been successfully reported and accepted by CAMD and the allowance transfer deadline has passed. By doing so, allowances are deducted to account for annual SO₂ emissions, the remaining allowances in the compliance accounts for those facilities for which reconciliation was executed are unfrozen, and a report confirming the DR's reconciliation actions is generated and emailed to the DR. DR-initiated reconciliations can potentially be completed months before CAMD runs reconciliation for facilities that have not undergone DR-initiated reconciliation.

CAMD anticipates completing the Texas SO₂ reconciliation process by May 2020. You will be notified that CAMD's reconciliation is complete via an email report once all the facilities with which you are associated have undergone reconciliation. (This is the same report that DRs who reconcile their own facilities receive.)

If you do not have a CBS user ID and password, contact Karen Vansickle at (202) 343-9220 or vansickle.karen@epa.gov, or Paula Branch at (202) 343-9168 or branch.paula@epa.gov. Questions about the reconciliation module of CBS should be directed to Andrew Reighart at (202) 564-0418 or reighart.andrew@epa.gov, Jason Kuhns at (202) 564-3236 or kuhns.jason@epa.gov or Paula Branch at the number or email address above. As always, we look forward to working with you to achieve 100% compliance with the 2019 Texas SO₂ Trading Program.

Sincerely,

Ming Chang

Chief, Market Operations Branch

Clean Air Markets Division

U.S. Environmental Protection Agency

cc:

Alternate Designated Representatives

Allowance Trading Agents

Compliance Agents

Source Management Agents

<u>Topic</u>	<u>Contact Person</u>	<u>Phone</u>	<u>Email</u>
CBS (Account)	Karen Vansickle	202-343-9220	vansickle.karen@epa.gov
	Paula Branch	202-343-9168	branch.paula@epa.gov

CBS (Compliance)	Andrew Reighart	202-564-0418	reighart.andrew@epa.gov
	Jason Kuhns	202-564-3236	kuhns.jason@epa.gov
	Paula Branch	202-343-9168	branch.paula@epa.gov

Info About CBS: <https://www.epa.gov/airmarkets/business-center#tab-2>

From: Lifland, David <Lifland.David@epa.gov>
Sent: Friday, January 31, 2020 1:16 PM
To: Branch, Paula <Branch.Paula@epa.gov>; Chang, Ming <Chang.Ming@epa.gov>
Cc: Kuhns, Jason <Kuhns.Jason@epa.gov>; Reighart, Andrew <Reighart.Andrew@epa.gov>
Subject: RE: DRAFT: 2019 Texas SO2 Trading Program Reconciliation

I noticed one typo – in about the middle of the first paragraph, there should be a space between “SO₂” and “annual”. Otherwise, looks fine to me.

From: Branch, Paula <Branch.Paula@epa.gov>
Sent: Friday, January 31, 2020 11:41 AM
To: Lifland, David <Lifland.David@epa.gov>; Chang, Ming <Chang.Ming@epa.gov>
Cc: Kuhns, Jason <Kuhns.Jason@epa.gov>; Reighart, Andrew <Reighart.Andrew@epa.gov>
Subject: DRAFT: 2019 Texas SO2 Trading Program Reconciliation

Draft email to the Texas So2 Trading Program DRs with David’s changes incorporated.

Thanks.

Paula L. Branch
US EPA (6204M)
Clean Air Markets Division
Voice (202) 343-9168
Fax (202) 343-2361

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Ming Chang

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